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SIPDIS

SENSITIVE

E.O. 12958: N/A
TAGS: [PREL](#) [KNNP](#) [KN](#) [PARM](#) [IR](#)
SUBJECT: ADDITIONAL DESIGNATIONS OF IRANIAN ENTITIES UNDER
E.O. 13382

¶1. (U) This is an action request. Please see paragraph 2.

OBJECTIVES

¶2. (SBU) Washington requests that addressees notify host government/EU officials not earlier than 10:30 a.m. EST on Friday, February 16, 2007 that the United States is designating three additional Iranian entities under E.O. 13382 ("Blocking the Property of Weapons of Mass Destruction Proliferators and their Supporters") on Friday, February 16, ¶2007. This information is embargoed until after the designations have been publicized in the United States. These designations are aimed at protecting the U.S. financial system from financial activity supporting ongoing proliferation facilitated by the Atomic Energy Organization of Iran (AEOI). Addressees are requested to provide the non-paper in paragraph 4 to host government/EU officials.

REPORTING DEADLINE

¶3. (U) Posts should delay delivery until not earlier than 10:30 a.m. EST on Friday, February 16, 2007. Public announcement of the designation in the U.S. will occur at or soon after 10:30 a.m. EST on Friday, February 16, 2007. Please report delivery of the U.S. non-paper and any immediate response by February 23, 2007. Please slug replies for ISN, T, TREASURY, EUR, EAP and NEA. Please use SIPDIS caption on all responses.

BACKGROUND/NONPAPER

¶4. (U) Begin text of background/non-paper for EU, UK, FRANCE, GERMANY, ITALY, AUSTRIA, BELGIUM, BULGARIA, CYPRUS, CZECH REPUBLIC, DENMARK, ESTONIA, FINLAND, GREECE, HUNGARY, IRELAND, LATVIA, LITHUANIA, LUXEMBOURG, MALTA, NETHERLANDS, POLAND, PORTUGAL, ROMANIA, SLOVAKIA, SLOVENIA, SPAIN, SWEDEN, JAPAN, CHINA, and RUSSIA:

The U.S. would like to inform your government that on February 16, 2006 the U.S. Treasury Department is designating three additional entities pursuant to Executive Order (E.O.) 13382 ("Blocking the Property of Weapons of Mass Destruction Proliferators and their Supporters"), an authority aimed at freezing the assets of proliferators of weapons of mass destruction and their supporters and at prohibiting transactions and trade between those designated entities and banks in U.S. jurisdiction.

The following names will be added to Treasury's Office of Foreign Assets Control (OFAC) list of Specially Designated Nationals and Blocked Persons ("SDN list") and published in the Federal Register pursuant to Executive Order 13382.

¶1. KALAYE ELECTRIC COMPANY (a.k.a. KALA), 33 Fifteenth

(15th) Street, Seyed-Jamal-Eddin-Assad Abadi Avenue, Tehran, Iran

¶2. KAVOSHYAR COMPANY (a.k.a. KAAVOSH YAAR; a.k.a. KAVOSHYAR), Vanaq Square, Corner of Shiraz Across No. 71, Molla Sadra Ave, Tehran, Iran

¶3. PIONEER ENERGY INDUSTRIES COMPANY (a.k.a. PISHGAM ENERGY DEVELOPMENT), P.O. Box 81465-361, Isfahan, Iran

In June 2005, President Bush designated the Atomic Energy Organization of Iran (AEOI) in the Annex to Executive Order 13382 ("Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters").

Kalaye Electric Company and Kavoshyar Company are owned or controlled by AEOI and act for or on its behalf. Kalaye has been linked to Iran,s centrifuge research and development efforts. Kalaye is also listed in the Annex to UN Security Council Resolution 1737 because of its involvement in Iran,s nuclear program. Kavoshyar,s sole shareholder is AEOI. Pioneer Energy Industries Company provides services to AEOI, including technological support.

As you know, the unanimous adoption of UNSCR 1737 on December 23 establishes a legal obligation for countries to take action against the financial underpinnings of Iranian proliferation and WMD programs by requiring states to freeze the assets that are owned or controlled by, or acting for or on behalf of entities and individuals named in the Annex of the resolution.

The United States urges you to also take action to freeze the assets of entities and individuals explicitly listed in the Annex of UNSCR 1737, as well as those entities that are owned or controlled by or acting on behalf or at the direction of them. In this regard we hope you will consider actions to freeze the assets of the Aerospace Industries Organization (AIO), Bank Sepah, and other Iran-related entities the U.S. has designated under E.O. 13382. (A full list of the entities designated under E.O. 13382 can be found at <http://www.treas.gov/offices/enforcement/ofac/programs/wmd/wmd.pdf>.)

We urge your government to investigate financial relationships and transactions in which designated Iranian proliferation entities have an interest. Where it is suspected that these relationships and transactions may be facilitating Iran,s proliferation activities, we urge you to cease dealings with the entities in question.

We look forward to working with you on this and other related security matters and are prepared to provide additional assistance as appropriate.

End background/non-paper.

POINT OF CONTACT

¶8. (U) Questions may be directed to ISN/CPI (Michelle New, 202-647-0186, or Anthony Ruggiero, 202-647-5181).
RICE

NNNN

End Cable Text